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Chairman: Mr. DINU (Romania)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

CONTENTS

AGENDA ITEM 120: FINANCING OF THE ACTIVITIES ARISING FROM SECURITY COUNCIL RESOLUTION 687 (1991)

(a) UNITED NATIONS IRAQ-KUWAIT OBSERVATION MISSION

AGENDA ITEM 122: FINANCING OF THE UNITED NATIONS OBSERVER MISSION IN EL SALVADOR

AGENDA ITEM 123: FINANCING OF THE UNITED NATIONS TRANSITIONAL AUTHORITY IN CAMBODIA

AGENDA ITEM 137: FINANCING OF THE UNITED NATIONS PROTECTION FORCE

AGENDA ITEM 145: FINANCING OF THE UNITED NATIONS OPERATION IN SOMALIA

AGENDA ITEM 153: FINANCING OF THE UNITED NATIONS OPERATION IN MOZAMBIQUE

AGENDA ITEM 124: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS

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The meeting was called to order at 10.55 a.m.

AGENDA ITEM 120: FINANCING OF THE ACTIVITIES ARISING FROM SECURITY COUNCIL RESOLUTION 687 (1991)

(a) UNITED NATIONS IRAQ-KUWAIT OBSERVATION MISSION (A/47/637/Add.1 and Add.1/Corr.1 and A/47/987)

AGENDA ITEM 122: FINANCING OF THE UNITED NATIONS OBSERVER MISSION IN EL SALVADOR (A/47/751/Add.1 and A/47/983)

AGENDA ITEM 123: FINANCING OF THE UNITED NATIONS TRANSITIONAL AUTHORITY IN CAMBODIA (A/47/733/Add.1 and A/47/982)

AGENDA ITEM 137: FINANCING OF THE UNITED NATIONS PROTECTION FORCE (A/47/741/Add.1 and Add.1/Corr.1 and A/47/986)

AGENDA ITEM 145: FINANCING OF THE UNITED NATIONS OPERATION IN SOMALIA (A/47/916/Add.1 and A/47/984)

AGENDA ITEM 153: FINANCING OF THE UNITED NATIONS OPERATION IN MOZAMBIQUE (A/47/969 and A/47/985)

AGENDA ITEM 124: ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS (A/47/990)

1. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) drew attention to the requests made by the Advisory Committee in paragraph 40 of its report on the administrative and budgetary aspects of the financing of the United Nations peace-keeping operations (A/47/990). One of the priority areas that needed urgent attention by Member States concerned the procedures for formulating peace-keeping estimates and the frequency of legislative review by the General Assembly on the basis of recommendations of the Advisory Committee. New procedures were urgently required, especially in view of the sudden emergence of many large operations requiring billions of dollars per year. The current procedures whereby the cost of operations, regardless of their size, was reviewed separately several times a year had become cumbersome, which risked impairing the quality of reports submitted to the General Assembly and the ability of Member States to review them and provide in a timely manner the necessary legislative guidance. It was currently impossible to calculate the contributions expected from Member States and it was difficult to follow up on recommendations made either by the Advisory Committee or the Fifth Committee, or to appreciate the extent to which the advances and initial appropriations requested by the Secretariat were required.

2. In order to address a series of shortcomings identified by the Advisory Committee in various reports, the Secretary-General had proposed the establishment of a special financial period of 12 months for a number of current peace-keeping operations. The Advisory Committee considered that the proposal was of particular value since it would provide a realistic timetable for the preparation, consideration and evaluation of the requirements of peace-keeping operations.

(Mr. Mselle)

3. It was hoped that by the end of the year Member States would seriously discuss the question in all its aspects, including that of introducing an annual budget for all peace-keeping operations. Such a change should not affect the current procedure by which Member States were assessed only for the mandate period authorized by the Security Council. Pending a comprehensive review of the question, the Advisory Committee had examined on a case-by-case basis the proposals to provide authority to incur expenditure for periods of 12 months.

4. The Committee thought that the consideration of requirements for the United Nations Iraq-Kuwait Observation Mission (UNIKOM) for the period after 31 October 1993 should be handled in the manner explained in paragraphs 24 to 29 of its report (A/47/987). With respect to the United Nations Observer Mission in El Salvador (ONUSAL), revised cost estimates should be submitted expeditiously to the General Assembly. Regarding the United Nations Protection Force (UNPROFOR), the Secretary-General had been requested to streamline procedures for submitting his reports in a timely manner. Regarding the United Nations Operation in Somalia (UNOSOM), the Advisory Committee had been informed that a report would be submitted to the General Assembly at its forty-eighth session, given which there was no need at the current stage to discuss estimates beyond 31 October. However, for the United Nations Operation in Mozambique (ONUMOZ), the Advisory Committee had recommended commitment authority for the period after 31 October 1993.

5. Neither ACABQ nor the Fifth Committee had considered the most recent report of the Secretary-General on the financing of the United Nations Angola Verification Mission (UNAVEM II) (A/47/744/Add.1) prior to the suspension of the General Assembly in December 1992. Pending future consideration, the General Assembly had authorized commitments not exceeding $25.3 million, which had been assessed on Member States, for the period 1 November 1992 to 28 February 1993. In its report thereon (A/47/925) the Advisory Committee had concurred in two proposals of the Secretary-General. The first was to finance the additional requirements for UNAVEM II of $1.5 million gross for the period ending 30 April 1993 from the savings relating to the period 1 November 1992 to 28 February 1993. The second proposal was for an additional appropriation or commitment, at the rate of $2.6 million per month, for the period after 30 April.

6. The Fifth Committee had not considered the Advisory Committee's report at its resumed session in March 1993. Instead it had recommended that the General Assembly should authorize the Secretary-General to commit, with the prior concurrence of the Advisory Committee, up to $3.5 million for the period 1 March to 30 April 1993.

7. In a letter dated 21 May 1993 the Advisory Committee had authorized the Secretary-General to commit up to $2.7 million gross for the period 1 to 31 May, and, in another letter, dated 15 July 1993, had increased that amount to $3.3 million. For the period ending 15 September 1993 the Secretary-General was requesting from the Advisory Committee authorization for commitments not exceeding $3.3 million.

8. In its resolution 851 (1993) of 15 July 1993, the Security Council had requested the Secretary-General to submit, before 15 September 1993, a report on the further role of the United Nations in the peace-keeping process in Angola,

(Mr. Mselle)

as well as a report on the budgetary implications of bringing UNAVEM II up to its full strength. Pending consideration of the reports requested by the Security Council, the only action that needed to be taken at the current stage was to appropriate and, to the extent required, assess the commitments already entered into or requested by the Secretary-General.

9. With respect to UNIKOM, the General Assembly had appropriated $20 million gross for the period 1 November 1992 to 30 April 1993, and the Advisory Committee, under the authority delegated to it by the General Assembly, had authorized commitments not exceeding $19.8 million gross for the period 1 May to 31 October 1993.

10. The extension of the mission for that period, pursuant to decisions of the Security Council, involved an additional estimated cost of $24.5 million. For a number of reasons the Advisory Committee was recommending that the total appropriation and assessment on Member States for the period 1 May to 31 October 1993 should not exceed $39.8 million gross (A/47/987, para. 29), as against the Secretary-General's estimate of $44.4 million gross.

11. With regard to ONUSAL, the General Assembly had authorized interim commitments of up to $8 million gross for the period 1 December 1992 to 28 February 1993, and, by its resolution 47/223, of 16 March 1993, had appropriated $17.2 million gross for the period 1 December 1992 to 31 May 1993. In view of the estimates proposed in the report of the Secretary-General (A/47/751/Add.1) for the periods 1 June to 30 November 1993 and 1 December 1993 to April 1994, and of the related recommendations of the Advisory Committee in its report (A/47/983) as well as the observations of the Advisory Committee on the operation of ONUSAL, including comments on the performance reports, the most recent of which covered the period ending 31 May 1993, the Advisory Committee was recommending that $18 million should be appropriated for the period 1 June to 31 October 1993. However, taking into account the unutilized balance in the ONUSAL/ONUCA account, $16.2 million only should be assessed on Member States.

12. The comments and recommendations of the Advisory Committee in its report on the financing of UNTAC (A/47/982) were based on an advance English text of the Secretary-General's report to the General Assembly (A/47/733/Add.1), which had not been available to the Advisory Committee in time for detailed examination during the special summer session in 1993. As could be seen in the Secretary-General's report to the General Assembly, and in his report to the Security Council (S/26090), the UNTAC mission was scheduled to terminate at the end of the year. The period for which budgetary estimates had been prepared and appropriations requested had been extended to 31 August 1993.

13. Because of a number of areas which needed further clarification, justification and updating and in view of the scheduled termination of the UNTAC operation, the Advisory Committee had decided to submit an interim report. On that basis, and pending examination of an updated report, the Advisory Committee was recommending that $85 million net should be appropriated and assessed to cover additional requirements for UNTAC for the period 1 May to 31 August 1993. ACABQ also urged that efforts should be pursued to collect the $290.5 million in outstanding assessments for the UNTAC account.

(Mr. Mselle)

14. The Secretary-General had requested authorization from the Advisory Committee to commit $10 million to provide assistance to the joint interim administration in Cambodia. In that regard the Advisory Committee had noted that $17 million had been proposed for that purpose in the report of the Secretary-General on the financing of UNTAC. After lengthy discussions the Advisory Committee had concluded that there was no authority from the General Assembly to have such expenditure assessed on Member States. Accordingly, pending consideration of the matter by the General Assembly, the Advisory Committee had informed the Secretary-General by letter (A/47/982, annex) that he could use extrabudgetary resources in the manner indicated in the letter.

15. Although the cost of the liquidation of the UNTAC operation would be reviewed at a later stage, the Advisory Committee had discussed the question of the disposition of UNTAC assets and had sent a letter on the subject to the Secretary-General underscoring the importance of ensuring the maximum utilization of the UNTAC assets to meet the needs of existing or new United Nations missions before the balance of the assets was otherwise disposed of.

16. As for UNPROFOR, the General Assembly had appropriated and assessed $290.05 million for the period from 15 October 1992 to 20 February 1993 and had granted authority to the Secretary-General to commit up to $47.06 million gross, with the prior concurrence of ACABQ, for the period 21 February to 30 September 1993. The Advisory Committee had authorized commitments for the periods 21 February to 31 March and 1 April to 30 June 1993. The bulk of the amount authorized had been assessed on Member States, except for $10 million for the period 1 April to 30 June 1993. The Secretary-General, in his report (A/47/741/Add.1 and Corr.1), was requesting an additional amount of $76.4 million for the period 1 April to 30 June. The Advisory Committee had recommended acceptance of tha amount. Accordingly, total additional assessments would amount to $86.4 million gross.

17. The Secretary-General was also requesting $79.1 million for start-up costs for the expansion of UNPROFOR in the former Yugoslav Republic of Macedonia and in Bosnia and Herzegovina. For the reasons stated in paragraphs 29 to 35 of its report (A/47/986), the Advisory Committee was recommending an additional $55 million gross. ACABQ was also recommending an amount of $200 million to cover the period 1 July to 30 September 1993. That recommendation had been made in view of the uncertainties regarding total requirements beyond 30 September 1993, which would be examined on the basis of a report from the Secretary-General.

18. With regard to UNOSOM, the Secretary-General had estimated in his report (A/47/984) that the mission would require $615.9 million gross for the period 1 May to 31 October 1993. That amount included the $300 million already appropriated for the mission. Further, an amount of $108.6 million gross had been appropriated and assessed for the period 1 May 1992 to 30 April 1993. For the reasons outlined in its report (A/47/984), the Advisory Committee was recommending that the expenditure for the mission for the period 1 May to 31 October 1993 should not exceed $556 million. However, taking into account savings of $66.2 million over the period 1 May 1992 to 30 April 1993, and the $300 million already appropriated for the period 1 May to 31 October, the Advisory Committee was recommending that $190 million should be appropriated and

(Mr. Mselle)

assessed on Member States as against the Secretary-General's request for $249.7 million gross.

19. For ONUMOZ, the General Assembly had appropriated $140 million for the period 15 October 1992 to 30 June 1993 pending agreement by all the parties concerned on the precise timetable for the implementation of the General Peace Agreement. In the light of the cost estimates for the period 1 July to 31 October 1993 proposed in the Secretary-General's report (A/47/969), the revisions of those estimates by the Secretariat and the savings of $46.9 million over the period ending 30 June 1993, the Advisory Committee was recommending an additional $54 million gross as against the Secretary-General's request for $63.9 million gross. In addition the Advisory Committee was recommending a monthly commitment not exceeding $20 million gross, with the prior concurrence of ACABQ, for the period after October 1993.

20. Mr. PORTOCARERO (Belgium), speaking on behalf of the member States of the European Community, said that the initiative to consider peace-keeping operations as a whole constituted a useful precedent which should be maintained in the future. The financial situation of the peace-keeping operations and of the Organization itself had deteriorated, instead of improving. The first duty of States was to comply with commitments undertaken in accordance with the Charter without imposing preconditions for such payments. In that connection, the Community and its member States stressed the close link between the United Nations financial crisis and the inability of the Organization to administer its activities better financially. There was no doubt that late payments destabilized the Organization and imposed a heavy burden on contributors who made payments on time, which deprived the Organization of the necessary means to reform itself. Accordingly, control measures taken after the fact were inadequate.

21. The European Community welcomed the publication of the report of the Advisory Committee on the administrative and budgetary aspects of peace-keeping operations (A/47/990) and supported the Committee's recommendation that the Secretary-General should be requested to submit to the General Assembly a report on all issues which affected the successful operation and administration of peace-keeping operations.

22. With regard to UNIKOM, the Community noted that the voluntary contributions had not been deducted from the amount to be apportioned among Member States, and therefore proposed that in future the Secretariat should issue a corrigendum to the financial document as soon as it considered a pledge firm. That could be done at any stage in the budget approval process. Everything seemed to indicate that UNIKOM and UNAVEM had received a loan of $5 million from the Reserve Fund for Peace-keeping Operations. It should therefore be asked if the Fund had already been used to carry out the peace-keeping operations planned when it had been established. Several reports by the Secretary-General dealt with the question of the disposal of property from operations that had been terminated. In principle, a maximum of such property should be transferred to other United Nations operations, which would yield savings that might be called "receiver" savings. Nevertheless, as in the case of voluntary contributions, it was difficult to determine in advance, when budgets were being drawn up, the quantity of "used" equipment that such operations could utilize and at what price. That gave rise to the need to issue addenda or corrigenda.

(Mr. Portocarero, Belgium)

23. The performance reports relating to UNTAC were not up to expectations. The Community did not consider that the explanations provided on savings and additional expenses were sufficient. UNTAC was a clear case where the initial budget estimates had been exaggerated. The Community was sure that when UNTAC ceased to function, the Secretariat would carry out an in-depth analysis of all aspects of the management of that operation and would be able to determine whether the request for an overall amount had been justified.

24. Activities like those of UNTAC, UNOSOM and ONUMOZ involved the question of the relationship between peace-keeping activities and humanitarian activities, and of the role of voluntary contributions in both types of activities. The Community was looking forward to a discussion of the budgets for humanitarian activities and development budgets financed through assessments.

25. The reimbursement of troop-contributing countries was another major concern. In the case of UNPROFOR, for example, it was noted that the United Nations had been unable to provide reimbursements since October 1992. Peace-keeping operations could not be carried out without contributions of troops and financial resources from Member States. It was unfortunate that certain Member States bore an excessive budget burden since their reimbursements were incomplete and late. It was also regrettable that the same rate of reimbursement was not applied in all cases, which was unjustifiable and unacceptable. With regard to the mission subsistence allowances, there seemed to be a lack of transparency in determining their amounts and in the modalities for applying them. For that reason, the Community considered that the recommendations of the Advisory Committee were justified in that respect.

26. One of the most important problems in the management of peace-keeping operations was the replacement of Secretariat personnel seconded to them. It should be asked whether such cases involved double budgeting, in other words, whether States paid the same amounts twice. If double budgeting had occurred, the Community did not feel that the Secretariat had done that deliberately because during the preparation of the budget for 1992-1993 it had been impossible to foresee the proliferation of peace-keeping operations that had occurred subsequently. The Community wished to know the number of staff assigned by the Secretariat to peace-keeping operations during the current biennium and how they had been replaced. Furthermore, he expressed concern at the high percentage of vacant posts among the civilian personnel.

27. Merging the activities related to ONUSAL did not free any Member State from its obligations concerning the components of that operation. The Community believed that the model status-of-forces agreement recommended by the Advisory Committee was reasonable. The Secretary-General should endeavour to reach an agreement with the authorities of the countries on whose behalf the Organization was undertaking peace-keeping operations, even before such operations began.

28. With regard to the difficulty experienced by the Advisory Committee in the case of UNOSOM in understanding the relationship between the operational plan and, for example, the number of civilian staff and the amount of the other resources being requested, the European Community asked the Secretariat what the connection was between certain tasks and expenditure estimates and requested an explanation with regard to the relationship between the various reports of the Secretariat with the symbols "S" and "A". On the basis of the experience gained

(Mr. Portocarero, Belgium)

with UNOSOM, the Community felt that the time had come to carry out an in-depth review of the standards for competitive bidding and procurement of materials for peace-keeping operations. In addition, the Community was prepared to give careful consideration to the question of the financial authority of officials in the field, since, while a certain degree of flexibility was admissible in that regard, the decentralization of financial decision-making should be subject to the application of stricter monitoring mechanisms. In another connection, the Field Operations Division should prepare a brief general report on problems relating to contractual services, taking into account the comments made by the Advisory Committee in that regard.

29. With regard to the international contractual personnel assigned to peace-keeping operations, the European Community requested the Secretariat to provide specific information on the mechanisms for evaluating the activities of such staff since the importance of those operations and their civilian components required rigorous monitoring and evaluation. Furthermore, the Community commended the participation by the United Nations Volunteers in peace-keeping operations and hoped that their services would continue to be utilized, without losing view of the fact that their specific function was cooperation for development.

30. It was essential to know the changes in the Support Account for Peace-keeping Operations and the justification for activities financed through the account. Those questions should be considered at the forty-eighth session of the General Assembly. Lastly, the European Community supported the recommendations of the Advisory Committee concerning the elaboration of standardized procedures for determining budgets and expenditures.

31. Mr. DUHALT (Mexico) said that, according to the report of the Secretary-General on the financing of UNTAC (A/47/733/Add.1), budgetary provisions of up to $20 million had been made to cover a number of operational activities of the interim administration of Cambodia, while it appeared from the report of the Advisory Committee on the same subject (A/47/982, annex), that the Advisory Committee had been requested to authorize commitments in the amount of $10 million to cover those expenses from assessed contributions. The Advisory Committee had authorized that expenditure of $10 million, but from voluntary contributions received rather than from assessed contributions. His delegation wished to know exactly how much had been spent or how much had been thus far committed to cover the expenses of the interim administration of Cambodia and, at the same time, how much had been received in the form of voluntary contributions from Member States. In his view, the expenditure should be equivalent to or less than, but should not exceed, the amount of voluntary contributions received. The matter was potentially a delicate one, since the kind of activities which were to be financed from those resources were economic and social activities related to the economic and social development of the country which were traditionally funded from voluntary contributions.

32. Mrs. GRAHAM (United States of America) said that her delegation shared the view of the European Community relating to double budgeting, the review of procurement rules and regulations, and a need for standardizing procedures for budgeting and costing of the budgets.

(Mrs. Graham, United States)

33. With regard to the report of the Secretary-General concerning the financing of UNIKOM (A/47/637/Add.1 and Add.1/Corr.1), she noted that the strengthening of the UNIKOM operation was scheduled to begin in the middle of September and asked whether the additional brigade would arrive in Cambodia on that date planned or whether there would be a delay. In the latter case, since provision had been made in the budget for the civilian component which would provide support to the new battalion to begin operating with effect from August, she presumed that the arrival of that component would also be delayed to the extent possible. She asked the Secretariat for clarification on that point.

34. Another matter of interest in the report on UNIKOM was the issue of the line item on audit, for which an amount of $20,000 had been budgeted for the following year (A/47/637/Add.1, annex VI). That was the same amount which had been budgeted for 1992, to cover a period of only six months. She would like to know whether that amount took into consideration the request in paragraph 6 of General Assembly resolution 47/211 that the Board of Auditors should expand its audit coverage of all peace-keeping operations. The same question arose with respect to UNPROFOR, which was a much more costly operation. The estimates for that operation for the period 1993-1994 were expected to amount to perhaps $900 million, while budgetary provision of only $50,000 had been made for audit services (A/47/741/Add.1, annex IV).

35. Mr. GRANT (United States of America), referring to the report of the Advisory Committee on the Financing of ONUSAL (A/47/983), expressed concern at the number of observations and recommendations which the Advisory Committee had felt it necessary to reiterate over the course of several sessions of the General Assembly in relation to the operations and control of the costs of ONUSAL. It was to be hoped that greater attention would in future be paid to the observations of the Advisory Committee.

36. One question raised in the report was that of mission subsistence allowances, which had been increased retroactively despite the fact that the Advisory Committee had indicated that it was not fully convinced of the need for such an increase, which should have been properly explained. Earlier observations regarding over-expenditure on cleaning and security services for the headquarters premises, as well as for the rental of parking space, had also been repeated. In that connection, it was to be hoped that an agreement could be reached with the host country regarding the provision of parking space for ONUSAL free of charge.

37. Other questions which merited attention included the apparently inadequate control in the case of accidents and pilferage from the motor pool, provisions for vehicle maintenance, the need to standardize unit prices for equipment used in operations, and even the vaccination of staff, which did not seem to be managed as well as it might be.

38. Lastly, he drew attention to the observations by the Advisory Committee concerning the staffing of ONUSAL, which, as had already been pointed out in previous reports, had a large number of staff at senior levels. It was to be hoped that the Secretariat would provide more detailed explanations and take appropriate action in that regard.

39. Mr. MICHALSKI (United States of America) said that his delegation wished to make it perfectly clear that any decision regarding the disposal of UNTAC property would be made by the General Assembly, which would receive a very detailed breakdown of the items to be sold, the items to be retained by the Government, and the items to be shipped to other peace-keeping operations. While his delegation approved in principle the procedures outlined in the report (A/47/733/Add.1, annex VIII), it was opposed to the Advisory Committee taking decisions, behind closed doors, and only informing Member States of those decisions later.

40. With respect to the costs of UNTAC for the period 1 November 1991 to 30 April 1993, he was surprised to note that the amount budgeted for troop reimbursement (some $180 million) had been calculated so precisely that there had been neither savings nor overruns. That seemed strange given the level of expenditure under that particular item. Perhaps it was an example of accurate budgeting by the Secretariat. On the other hand, it was a matter of concern that there had been some very substantial cost overruns for mission subsistence allowances paid to the civilian police, amounting to some $13 million. Moreover, those cost overruns had not been sufficiently explained by the Secretariat, which would be required to justify the additional costs and indicate whether it had different mission subsistence allowance rates for international staff, civilian personnel, the police and the military or whether the rates were the same. It was also disturbing to note that the travel costs of the international staff had exceeded the budget by some $5 million, or almost 75 per cent. In that connection, he would like to know the average cost of a round-trip ticket to Cambodia and whether any consideration had been given to the possibility of using charter flights. Another cost overrun was that pertaining to the purchase of vehicles. The inadvertent purchase of 850 minibuses was an example of gross mismanagement, which revealed serious weaknesses which were endemic in the Secretariat. The Secretariat appeared, however, to have convinced itself that it had somehow done a service to Member States by purchasing the vehicles at below the prevailing market price.

41. His delegation had some questions concerning the air operations for UNTAC and other peace-keeping operations. It had, for example, been struck by the fact that the hourly charge for a helicopter for UNTAC was some $2,600 although it had been informed that some of the pilots flying those helicopters were paid $3 an hour by the contractor. It would like the Secretariat to confirm those figures, although, if they were accurate, it was doubtful that the United Nations had obtained the best pilots available.

42. The amount budgeted for audit services ($80,000) did not seem very high for an operation like UNTAC, which had spent more than a billion dollars. He wished to know what level of service the United Nations had obtained for that $80,000, how many times the external auditors had visited the region and how that money had been spent in terms of the number of audit days.

43. When the United Nations had approved the formula for financing the Integrated Management Information System (IMIS), no one had imagined that it would be spending up to $4 billion a year on peace-keeping. At present, the continued provision for the IMIS in each of the peace-keeping budgets might be generating a very substantial amount of money for the Secretariat. His delegation wished to know how much money had been raised for the IMIS through

(Mr. Michalski, United States)

the peace-keeping budgets and whether those additional funds were being used for an enhancement of the system or would be used to cover cost overruns.

44. It was noted in annex II of the Secretary-General's report (A/47/733/Add.1) that the average claim paid for death or disability was $360,000, an amount far in excess of the $100,000 limit established for anyone who died or was injured on United Nations property in New York. Perhaps it was time for that principle to be extended to the peace-keeping operations. He would also like to know the average death or disability payment for local level staff and how much had been paid to the 24 casualties involving local level staff referred to in the report.

45. With respect to United Nations volunteers, he asked what the average monthly cost per volunteer was in Cambodia, how much had been budgeted originally for such volunteers and how much was actually being paid. The original budget for UNTAC had amounted to some $3,000 per month, but the monthly rate for the Mozambique operation, surprisingly, was much higher.

46. The estimated cost for prefabricated housing in Cambodia, amounting to about $25,000 per person, seemed rather high, and he wondered whether the Secretariat was investigating the alleged irregularities involved in the procurement of those units.

47. Another troubling question relating to UNTAC was that the Secretariat had chosen to hire 12 international staff on special service contracts for public information activities at a cost of $50,000 per month per staff member. It was not clear from the report whether those persons were United Nations staff members and, if so, why the Secretariat had opted for that solution rather than drawing on non-United Nations staff. In any case, the cost seemed extraordinarily high, and he wished to know the reasons for those very high expenditures for the international staff involved in that programme.

48. Another problem which had not been addressed by the Advisory Committee in its report was that of local level salaries, which were set by the ICSC and were standard salaries paid to all United Nations staff members whether on the regular budget, peace-keeping or one of the voluntary programmes. It was his delegation's position that the current rates paid to local level staff were far too high; it was therefore somewhat surprising that the Secretariat was considering a further increase in the salary scale for such staff in Cambodia. He would like to know what the current rate was for local level staff and thought that it would be very useful for the ICSC to study that problem in general, with a view to adopting more rational and reasonable local level salary scales.

49. In connection with the liquidation of UNTAC, the first stage of which was to run through the end of 1993 and was budgeted at some $150 million, his delegation had been surprised that the Secretariat only planned to reduce its international staff to some 452 individuals by the end of December. He would therefore like to have some assurance from the Secretariat that there would be a greater reduction in international staff as well as local level staff during the liquidation phase. He would also like to know when the Secretariat expected the liquidation exercise to be completed.

(Mr. Michalski, United States)

50. In connection with ONUMOZ, he pointed out that the Secretariat had not provided for staff assessments in the initial appropriations, but had included about $1 million for that item in its financial performance report (A/47/969). He asked how that sum had been calculated and what the cost estimates were for tax reimbursements to United States citizens serving in ONUMOZ. The United States had made a formal request to the Secretariat for information on that subject in two letters sent during the summer but had so far received no reply. In the same context, he said that the ONUMOZ budget included a provision for staff assessment for the local staff although, so far as he knew, local staff did not pay taxes to the Government of the United States; it was therefore surprising that the United States would have to pay 31 per cent of the amount budgeted for local staff assessment for local staff as a part of its ONUMOZ assessment. Those questions underlined the problems created by the budgeting and administration of the tax reimbursement system. The United States had also requested information on that problem from the Secretariat, but had received no reply in that case either.

51. The Secretariat's proposal to build a headquarters for ONUMOZ in Mozambique which would cost $2 million was also surprising. At present, the United Nations was occupying a hotel which cost the Organization some $117,000 monthly. It would be difficult for the Organization to recover that investment when the Mozambique operation was completed; it therefore seemed doubtful that that arrangement was more cost-effective, as the Secretariat maintained. He wondered why the option of using prefabricated office space had not been chosen.

52. He recalled that, because of an error, many minibuses had been acquired by UNTAC which had not been needed; in view of the fact that many of them had later been sent to Mozambique, it was surprising that the Organization continued to rent minibuses for ONUMOZ, unless those rentals were a very short-term arrangement.

53. The absence of a status-of-forces agreement in Mozambique was giving rise to various problems: apparently, the United Nations would have to pay $3.25 per gallon of petrol and 76 cents per gallon of diesel fuel. He asked for information on whether those amounts included taxes and whether the Secretariat intended to negotiate a more adequate solution to the question. Moreover, the Organization would have to spend about $1 million to rent hangars for helicopters and aircraft, which should be provided without charge by the host Government, and would have to pay landing fees. He wondered whether those fees were being paid to the Government and if an effort was being made to reach an agreement which would make it possible to eliminate those costs.

54. Another problem which affected the budgets of both ONUMOZ and the other United Nations peace-keeping operations was that of the unit cost of the office equipment purchased by the Secretariat. In the specific case of ONUMOZ, the United States had already raised the question of the high unit cost budgeted for computers; $3,900 was to be paid for lap-top computers which could be purchased in New York for less than $1,500. The only explanation the Secretariat had provided was that the cheaper models, even those of the best manufacturers in the world, were inadequate for the work of the United Nations. Moreover, a printer was being purchased for each of the lap-top computers, a luxury that the United States did not indulge in for its own staff.

(Mr. Michalski, United States)

55. There were also problems in connection with the contractual services item for ONUMOZ; cleaning services, for example, were budgeted at $3 per hour, which seemed excessive, especially in view of the fact that the monthly salary of a qualified interpreter in Mozambique was only $50 more than that of the cleaning staff.

56. The Advisory Committee had noted in its report on UNOSOM (A/47/984) that the budget for that operation had not taken into full account the value of the voluntary contributions, a comment which applied particularly for the operation of the Unified Task Force. In his delegation's opinion, therefore, UNOSOM's budget grossly understated the level of in-kind contributions by the Governments participating in the Unified Task Force.

57. The United Nations had appropriated a considerable sum for construction of port installations in Mogadishu. However, when the Unified Task Force had begun its operations in Somalia, a great deal of work had already been done on the port and the airport. The Secretariat should therefore explain in detail what it intended to do with the funds allocated and provide more details on the renovation projects it intended to finance from the UNOSOM budget.

58. There also seemed to be inconsistencies in the amounts budgeted by the Secretariat for travel costs. The Secretariat should explain why there was a 50 per cent difference between the normal price of round-trip air tickets to the mission zone ($7,000) and the cost of the same ticket when the travel was for compassionate purposes ($3,400).

59. Reference had been made to the high cost of local security personnel to explain the cost overrun in the case of UNOSOM I. He asked the Secretariat to specify how much that staff cost and whether the staff in question were the thugs who had apparently been on the payroll of the United Nations for a time.

60. For the period between May 1992 and April 1993 no provision had been made for external audit, which seemed to indicate that the provision in General Assembly resolution 47/211 requesting an increased level of expenditure on external auditing was being ignored. Twenty-five thousand dollars had now been budgeted for audit costs for the May 1993 to October 1993 period. Although that was an improvement, it was difficult to believe that adequate auditing of an operation budgeted at 600 million dollars could be carried out for such a sum.

61. Mr. SENGWE (Zimbabwe) noted, in connection with the procurement of supplies and services in general, that the Advisory Committee in its report on the financing of ONUMOZ (A/47/95) had again recommended that, wherever cost-effective and technically feasible, every reasonable effort should be made by the Secretariat, in accordance with established procurement procedures, to acquire services, resources and materials from local area sources. He asked for information on what steps had been taken for that purpose in connection with ONUMOZ.

The meeting rose at 12.45 p.m.